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DE RUEHRL #0313/01 0721236

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FM AMEMBASSY BERLIN

TO RUEHC/SECSTATE WASHDC IMMEDIATE 0665

INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE IMMEDIATE  
RUCNFRG/FRG COLLECTIVE IMMEDIATE

C O N F I D E N T I A L SECTION 01 OF 02 BERLIN 000313

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E.O. 12958: DECL: 03/12/2018

TAGS: PGOV PREL GM

SUBJECT: (C) STEINMEIER COULD ECLIPSE BECK AS SPD  
CHANCELLOR CANDIDATE

REF: A. 07 BERLIN 1604

1B. FRANKFURT 0697

1C. BERLIN 0265

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Classified By: DCM John Koenig for Reasons 1.4 (b) and (d)

11. (C) Summary. A physically and politically weakened SPD Chairman Kurt Beck returned to work March 10 after a two-week illness and botched political machinations amidst rampant speculation about his political future. SPD sources tell us that although Beck will likely remain SPD party chairman, he probably will not become his party's chancellor candidate in 12009. Instead, these sources predict that Beck will most likely determine at the end of 2008 or the beginning of 2009 that his chances for success as SPD chancellor candidate are not good, and he will therefore recommend that the popular Vice Chancellor and Foreign Minister Frank-Walter Steinmeier run in his place. Much can happen between now and then, of course. Still, as things look now, an SPD chancellor, whether Beck or Steinmeier, looks increasingly unlikely because of the SPD's stagnant public support. End summary.

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Beck Could Defer to Steinmeier  
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12. (C) There is an increasing belief in Social Democratic Party (SPD) circles that Beck might have lost his presumptive claim on the SPD's chancellor candidacy, a direct result of having opened the door to SPD cooperation with the Left Party, something Beck had previously sworn he would not do. Parliamentarian Markus Meckel (SPD) confirmed to Poloffs that "Beck's position in the party is weakened" as a result of Beck's overtures to the Left Party. Furthermore, SPD parliamentarian Michael Mueller told Poloffs that "Beck will likely stay on as party chairman, but it is uncertain whether he will be the chancellor candidate" in the 2009 federal elections. According to Mueller, since the party chairman -- in this case Beck -- typically proposes to the party who should be the chancellor candidate (reftel A), Beck could choose another SPD figure to become the chancellor candidate if Beck thinks his chances are not good. Mueller believes that Steinmeier will ultimately be the SPD's chancellor candidate. Parliamentarian Kerstin Griese (SPD), a member of the party's national Board, agrees that "Beck will stay as party chairman, and by the end of the year, he will look at the polls and nominate Steinmeier" as the chancellor candidate. Beck's poll ratings are currently at rock bottom levels -- only 14 percent of Germans would vote for him if direct elections for chancellor were possible. Griese believes that Beck will "make the rational decision and step aside."

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SPD in Crisis  
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¶3. (SBU) The SPD is in tumult. There continues to be much SPD infighting over Beck's approval of a plan to elect an SPD minister-president in Hesse with the support of the Left Party. The initiative -- which constitutes a major broken campaign promise -- has put the SPD's credibility into question and led to a drop in the party's and Beck's poll numbers. (Note: The SPD has consistently lagged about 10 points behind the Christian Democrats (CDU) in polls over the past year. End note.) Even worse, the SPD did not attain the goal for which all these sacrifices were made. That is, Hesse SPD candidate, Andrea Ypsilanti, was forced in the end to withdraw her candidacy due to the lack of sufficient support within her Hesse SPD (reftel B). In view of this dire situation, top SPD officials are pessimistic about future electoral prospects. Finance Minister Peer Steinbrueck has suggested that Chancellor Merkel now has the upper hand, while caucus leader Peter Struck said "It cannot be ruled out that the CDU/CSU and the FDP will win (in the 2009 federal elections). We have vacated the political center."

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Comment: Impact on the U.S.  
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¶4. (C) During his nearly two years as SPD party chairman, Beck has occasionally flirted with populist approaches. If emboldened -- or in the other extreme, desperate -- Beck could be tempted to adopt positions problematic for the U.S., as he did with missile defense after Russian President Putin's 2007 speech at the Munich Security Conference. The likely alternative SPD chancellor candidate, Steinmeier, might also present challenges from a U.S. perspective because of his tendency to emphasize Germany's "bridging" role in

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international politics, which sometimes suggests distance between Germany and the West on key issues. Within Germany, however, Steinmeier is perhaps better known as a centrist and the architect of Gerhard Schroeder's market-oriented reforms. During the current SPD fiasco, Steinmeier has been very careful not to criticize Beck publicly, despite an onslaught of such criticism by others. This restraint is typical of Steinmeier and could have two interrelated goals: to solidify his position as the alternate chancellor candidate should Beck choose not to run, and to preserve his flexibility to avoid drinking the poisoned chalice, if the SPD's prospects for victory appear dim. Much can happen to affect the prospects of the major parties between now and next year's national elections, but absent a serious economic downturn, the odds of SPD success in 2009 are fading.

TIMKEN JR